

IMPERIAL OIL LIMITED

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R. HORSFIELD
CORPORATE MANAGER - ARCTIC

December 20th, 1974

Mr. Ken P. Sam,
Research Assistant,
Northern Assessment Group,
53 Queen Street, 1st Floor,
OTTAWA, Ontario,
K1P 5C5

MAINTENANCE & REPAIR DEPARTMENT
EXHIBIT NO. 438 A E Jan 28 1974
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UT IN C.O.P.E.

Dear Sir:-

Your request dated December 4, 1974, for information about offshore drilling in the Beaufort Sea has been directed to my office.

It is evident from the wording and nature of the questions that the author is unfamiliar with the petroleum business. I am concerned that simple answers without extensive explanation of the evolutionary exploration process could be more misleading than informative to a layman. If you wish to pursue this approach further, I would suggest that, instead of embarking on a correspondence course with explorers, you might seek the services of professional petroleum consultants.

I sense that the reason for your interest in our business is concern that some event might happen that could have a serious adverse effect on the ecosystem. If so, I want to assure you that we realize this and will continue to take every reasonable precaution.

It would be most helpful to all concerned if, instead of trying to assess the potential of our operations to cause a problem, you would, within your own area of expertise, seek to quantify the consequences in terms more definitive than 'potential ecological disaster'. You could simply postulate any scenario you wished, i.e. any numbers and location of artificial islands, any kind and timing of oil spills, etc., and estimate the corresponding potential costs to society. These costs could be expressed either in dollars, the universal medium for quantitative assessments, or if you think it more meaningful, in terms of the sacrifice Canadian consumers of energy should be willing to make in order to ameliorate the environmental risk in the Beaufort. Then we and the regulatory authorities would have a more tangible basis for design and approval of offshore facilities and programs. This kind of constructive approach would help us all to use our money and effort more effectively.

Compliments of the season.

Yours very truly,

R. Horsfield
Corporate Manager - Arctic

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December 4th, 1974

Information requested from Imperial Oil by the Northern Assessment Group on offshore drilling in the Beaufort Sea.

1. We would like an up to date file on the artificial islands that Imperial has built including the findings if possible. We would also like to know Imperial's plans for new islands within the next year or two, their location, construction and design.
2. Is it possible to estimate approximately the number of artificial islands necessary to delineate the size of oil and gas fields in the offshore? More specifically, what would be the maximum number of artificial islands needed to satisfy any oil company's need to know of the number and size of fields (excluding cost as a barrier) from Herschel Island to the tip of the Tuktoyaktuk Peninsula? (Estimate this in terms of a range, that is, a specific number from zero).
3. What type of equipment will be used for exploratory drilling in waters deeper than 60 feet?
4. What size of oil and gas reserves has Imperial proven offshore in the Beaufort Sea in comparison to the volume of reserves it expects?
5. What special types of technology are being or have been developed for full scale production offshore in the Beaufort Sea?
 - i) What types of production rigs are planned to combat ice and storm hazards? We would also like any information Imperial is willing to submit on its monopod system programme.
 - ii) Some research was indicated in the newspaper on the part of Imperial in the Delta Oil Project. Apparently Imperial is investigating a means of laying offshore pipe in the Beaufort Sea Basin, and our group would like to know more about this operation. Who is carrying out the research? What are the terms of reference -- for example, how much money will be allotted and in what time period? Finally, when could we obtain the study itself?
6. Does the company have an assessment of the impact of an oil or gas blowout from an artificial island in the Beaufort Sea?



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7. Let us suppose a major oil blowout on Imp Pullen E-17 occurred in the late spring of this year during ice break-up. What were Imperial's contingency plans, that is, what types of equipment and men could Imperial mobilize to take care of the blowout and clean up the oil spill, and more importantly, in what length of time would this have taken place? I would like a step by step plan if this is possible.
8. In the event of a blowout on an artificial island close to shore, could a relief well be drilled directly from land?

Ken P. Sam
Research Assistant
Northern Assessment Group

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